

COMMISSIONER KENNEDY PROPOSED AMENDMENT NO. 11

TIME/DATE PREPARED: September 30, 2021

COMPANY: Arizona Public Service Company

AGENDA ITEM NO. 1

DOCKET NO(S). E-01345A-19-0236

OPEN MEETING DATE: October 4, 2021

Purpose: This amendment eliminates the grid access charge (GAC) in recognition of the ROO's conclusion that APS did not introduce evidence quantifying additional costs allegedly caused by solar customers. The recent Commission elimination of net metering for solar customers was in part intended to address a perceived cost shift from solar to non-solar customers. In light of that change, the continued existence of the GAC amounts to an additional penalty for customers who provide substantial public benefit in the form of private investments in local, pollution-free energy. The GAC targets a specific customer class without ample evidence and should be eliminated.

Page 357, Lines 21 through Page 358, Line 13:

DELETE:

Existing language

INSERT:

"At this time, the record shows that APS's Cost of Service Study ("COSS") over allocates costs to DG solar customers, but it does not contain any evidence of specific costs imposed by DG solar customers on APS's system, nor has APS attempted to quantify such costs. Under APS's proposed residential tariffs, DG solar customers on TOU-E are the only residential customers who must pay a GAC, and the record lacks evidence to justify this different treatment. The only evidence in the record, including APS's COSS, shows that DG solar customers on TOU-E generally cover their costs of service within the range of other residential customers without including revenue from the GAC.¹ APS claimed at the hearing that the GAC is necessary to avoid a subsidy to DG solar customers. However, because the record contains no evidence of any specific and unique costs that DG solar customers impose on APS's system, we find that APS failed to support that claim. Under state and federal law, a utility may not discriminate against DG solar customers, and it must justify any difference in treatment based on accurate data and consistently applied cost-allocation

¹ Although we find that APS's COSS provides only minimal direction, the record shows that APS's COSS overestimates the cost to serve DG solar customers, and there is no countervailing data identifying any unique costs that DG solar customers impose on APS's system. APS's COSS shows that solar customers on TOU-E recover similar percentages of their costs as residential customers on R-Basic rates, and it does not show a subsidy to solar customers.

**** Make all conforming changes**

THIS AMENDMENT:		
_____ Passed _____	Passed as amended by _____	
_____ Failed _____	Not Offered	_____ Withdrawn

ACC - Docket Control - Received 9/30/2021 2:47 PM
ACC - Docket Control - Docketed 9/30/2021 4:19 PM

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principles, including that charges applied to DG customers also apply to non-DG customers with similar load characteristics. Because the record contains no such evidence that might justify treating DG solar customers differently, we reject APS's proposal to charge solar customers on TOU-E a GAC, and we direct APS to eliminate the GAC from its TOU-E rate schedule. Any revenue deficiency resulting from this amendment shall be collected equally from all residential customers.”

Page 436, Line 12:

INSERT New Ordering Paragraph:

“IT IS FURTHER ORDERED that the GAC shall be eliminated for all DG solar customers except for any customers paying a GAC that currently take service on original vintage rates, namely E-12 Solar Legacy, ET-1 Solar Legacy, ET-2 Solar Legacy, ECT-2 Solar Legacy, and ECT-1R Solar Legacy. Any revenue deficiency resulting from this amendment shall be collected equally from all residential customers.”

**** Make all conforming changes**

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_____ Failed _____	_____ Not Offered _____	_____ Withdrawn _____